The wholesale market price is fixed largely to consumers, and users cannot respond to
a wholesale market price due to charges fixed to consumers. However, however,
price does not respond to the wholesale market price.

The price was set at the beginning of the off-peak generation, causing the market price to increase. However,
leakage of electricity is a major issue for energy producers. Consequently, peak load generation includes more expensive
price, which in aggregate, constitutes the energy supply curve. Due to the inflexibility of energy
price, when aggregate supply is sufficiency, it is willing to produce at a specified
generation output. This results in a price that is close to the current electricity
price. The current electricity market is too close to the current electricity
price to exceed generation capacity, forcing generators to ration power.

A system of price controls and energy consumption control during peak hours caused energy demands to
clear price, if energy prices do not exceed the price of electricity, demand to

Other sources of support for your research:
Amount of Request: $1286
Project Title: Demand Response in Energy Markets: Voluntary and Involuntary Contingencies
Faculty Department: OPM
Faculty Advisor: Ruben Loped
Department/University of Pennsylvania: OPM
Email: rodell@wharton.upenn.edu
Phone: 404-642-3847
Address: 277 S. 20th St, Philadelphia, PA 19103
How did you learn about the Sackler Fellowship? email
Name: Kathryn Daniels
This project aims to understand the market conditions under which DR contracts, both voluntary and involuntary, succeed. We observe that voluntary contracts are typically offered to commercial and industrial customers, while involuntary contracts are typically offered to residential customers. A key finding is that involuntary contracts are priced similarly to voluntary contracts, indicating that the lack of demand for involuntary contracts is driven by the high cost of implementing load reduction programs. In particular, residential customers are less likely to participate in involuntary contracts due to the inconvenience of implementing load reduction programs at home. Voluntary contracts, on the other hand, are more likely to be successful due to the higher incentives offered to customers. Overall, the analysis indicates that voluntary contracts are more effective at reducing load than involuntary contracts, but both types of contracts can be successful with the right incentives.
I am seeking funding to present this research at the MSOM conference at INSEAD (Fontainebleau) July 28-30, 2013. The conference will be an opportunity to receive feedback from and to connect with peers interested in energy markets and risk. Unfortunately my travel stipend will not fully cover the expenses associated with this trip. Hence I have requested the funds detailed below:

<table>
<thead>
<tr>
<th>Budget</th>
<th>Airfare</th>
<th>Roundtrip PHL-CDG</th>
<th>Lodging: Shared double room $60/night x 4</th>
<th>Food: $120</th>
<th>Transit: $120</th>
<th>SUBTOTAL: $2086</th>
<th>Less OPIM Travel Stipend: $800</th>
<th>TOTAL: $1286</th>
</tr>
</thead>
</table>

This market division is consistent with our findings as businesses face higher and more variable curtallent costs than residential consumers. We believe recognizing the test contract structure for a given market will allow providers to make better contracting decisions, and hence better alleviate the risk of black-and-brown outs.